

OMERS

member news

NUMBER 83 • SUMMER • 2008

3

OMERS news
and events

4

An interview with
OMERS President
Michael Nobrega

5

New OMERS
member's
perspective

6

Oxford adds
to Calgary
skyline

6

Ontario Venture
Capital Fund

8

Member
information
sessions

OMERS is with
you from day one.

See page 5 >>



OMERS member Martine Fortin

OMERS announces 2009 contribution rates

The OMERS Sponsors Corporation (SC) has set next year's rates for members and employers. "All the new rates better reflect the value of OMERS benefits being earned," said OMERS SC Co-Chair Marianne Love.

Continued on page 2

OMERS

Plan for the Future

An OMERS pension will provide you with retirement income for life and includes inflation protection, early retirement options and survivor and disability benefits. Member News keeps more than 242,000 members up to date on plan news and benefits.

Continued from page 1

The new rates at a glance

Rates* for members with a normal retirement age of 65 will be slightly reduced in 2009. Most members with a normal retirement age of 60 will see an increase in their overall OMERS contributions. Effective January 1, 2009, the rates will be as follows. For comparison, we have also listed the current contribution rates.

*Primary Plan and Retirement Compensation Arrangement (RCA) rates.

		2008	2009
Normal retirement age 65 members	On contributory earnings up to CPP earnings limit*	6.5%	6.3%
	On contributory earnings over CPP earnings limit*	9.6%	9.5%
Normal retirement age 60 members	On contributory earnings up to CPP earnings limit*	7.9%	7.7%
	On contributory earnings over CPP earnings limit*	10.7%	12.8%

*CPP earnings limit in 2008 is \$44,900.

On a paycheque level (26 pay periods annually)

The new rates will translate into the following changes to members' paycheques in 2009:

Normal retirement age 65 (most OMERS members)

Total annual contributory earnings	2008 contributions	2009 contributions	Difference per pay*
\$40,000	\$100.00/pay	\$96.92/pay	(\$3.08)
\$60,000	\$168.00/pay	\$163.97/pay	(\$4.03)
\$80,000	\$241.85/pay	\$237.05/pay	(\$4.80)

Normal retirement age 60 (most OMERS police and firefighter members)

Total annual contributory earnings	2008 contributions	2009 contributions	Difference per pay*
\$40,000	\$121.54/pay	\$118.46/pay	(\$3.08)
\$60,000	\$198.57/pay	\$207.31/pay	\$8.74
\$80,000	\$280.88/pay	\$305.77/pay	\$24.89

*Based on 26 pay periods annually and the 2008 CPP earnings limit.

Remember that the contributions members make to OMERS are deducted from their taxable income, which will lessen the impact of any increase in contributions.

The reason for the changes

A recent contribution rate study by OMERS actuaries determined that the cost of benefits being earned by normal retirement age 60 members has risen compared to earlier forecasts (and relative to the costs of normal retirement age 65 members).

The key factor causing the increased rates for normal retirement age 60 members was projected earnings increases that were higher than originally forecast in previous actuarial studies. These increases include contractual, promotional and retention pay incentives in the police and fire sectors.

"The Sponsors Corporation is committed to ensuring that contribution rates are equitable, and that they fairly represent the cost of OMERS benefits," added SC Co-Chair Brian O'Keefe.

For more information

Please refer to our online FAQs (Members/Frequently asked questions/2009 Contribution Rates).

News and events affecting OMERS Pension Plan

Upcoming change to CV calculation

The Actuarial Standards Board is reviewing the rules governing the calculation of commuted values (CVs). If approved, the changes could go into effect February 1, 2009, and could lower members' CVs from 10% to 30% – depending on the member's age and future interest rates.

The commuted value of a pension is the amount of money that must be put aside today to grow with investment earnings to provide a pension at a future date. It is one of the options available to members who cease employment but are not yet eligible for a retirement pension. See the next *Member News* for details.

Plan valuation filed

OMERS Administration Corporation has filed the 2007 valuation of the OMERS plan with the Financial Services Commission of Ontario, the provincial pension regulator. This is a legal requirement under the Ontario *Pension Benefits Act*.

This is the first valuation to be filed since the introduction of OMERS current governance structure. As such, the *Ontario Municipal Employees Retirement System Review Act, 2006*, requires that the Minister of Municipal Affairs commence consultations with the persons or organizations that are entitled to appoint members to the OMERS Administration Corporation (AC) and Sponsors Corporation (SC). OMERS is looking forward to supporting the government in this important consultation initiative.

Employment Standards Act (ESA) leave for reservists

In December 2007, the ESA was amended to provide job-protection rights to members of the Canadian Forces Reserve who are on leave due to deployment, i.e., members on a reservist leave.

The amendments apply to the reservist leave period and periods of postponement. A period of postponement occurs when the employer postpones the employee's return to work following the leave.

For example... Susan is an OMERS member who works for a municipality. She is also a reservist who works part-time for the Canadian Armed Forces.

Susan is deployed overseas and takes a leave of absence from her job

at the municipality. This leave is considered a reservist leave.

Her deployment ends earlier than expected and Susan returns home. As a result, her employer isn't ready for her to resume her job immediately and postpones her return to work for two weeks.

Susan may choose to purchase her reservist leave – the time she was deployed – at double contributions for the period (her portion and her employer's). The period of postponement – the two-week period during which Susan was ready to return to work but the employer wasn't ready to have her back – is purchasable at single contributions. (Susan would pay just her portion for the two-week period,

and her employer would match.)

If Susan decides not to purchase her reservist leave and/or the period of postponement, the unpurchased portion counts as OMERS eligible service. Eligible service is service with any OMERS employer that isn't credited service. OMERS adds this service to members' credited service when we calculate their early retirement pension factor.

Want more information?

Please talk to your employer or Contact OMERS Client Services.

One team, one goal drives performance

Last year, Michael Nobrega took the reins as OMERS President and CEO. His focus is to put OMERS at the leading edge through teamwork and a solid game plan. This approach served OMERS well last year – OMERS had the highest rate of return among Canadian pension funds.

In an interview, Mr. Nobrega talks about working together as a team to deliver superior benefits to members, OMERS priorities and what's in store for the future.

On March 12, 2007, Michael Nobrega became OMERS President and Chief Executive Officer. Previously, he was President and CEO of Borealis Capital Corporation, OMERS infrastructure entity. Outside of pensions, his interests include a passion for his family and sports. He also has a keen interest in international economics and politics.

Since becoming OMERS CEO, is there any one thing that stands out in your mind?

Yes, the depth of talent at OMERS. We've worked hard to bring that talent together and put it to work as a team with the investment entities. OMERS is a complex organization and no one group can be expected to do the heavy lifting needed to put us at the leading edge. By working together, we will deliver superb investment returns and outstanding levels of service.

What are some of OMERS priorities? Our primary investment priority is to manage what we own by adopting an enterprise-wide, direct-drive management strategy to generate surplus wealth. This involves:

- corporate initiatives to internalize some currently outsourced investment management services; and



"I see OMERS as a highly respected institution with exceptional pension services and investment performance"

— Michael Nobrega,
OMERS President and CEO

- expanding our management reach by selectively opening regional offices where we have major investments or see long-term prospects for private market investments and alliance agreements with major international capital pools.

Pension reform is another priority. We've made several pension related recommendations to the Expert Commission on Pension Reform in Ontario. We're tracking the Commission's progress and expect that it will embrace several of

our recommendations in its preliminary report expected in the fall.

We will also work with other pension plans and the Ontario government to update rules that restrict investment activities of Ontario-based pension plans. As pension payments grow, OMERS will be under increasing pressure to generate stable long-term investment returns. To do this, OMERS must be able to exercise management control over its investments.

What do you see OMERS doing for plan members in the future?

In addition to providing OMERS pension benefits, we are looking at corporate structures for plan members to have access to our investment expertise by providing new pension products through different investment vehicles. We want to stay ahead of the curve in serving our members, and we are exploring how we can do that.

What's on your mind when you're not in the office?

I think about the volatility of the public markets and how we can better position OMERS to ensure stability and optimal performance. I think about how OMERS can be a dominant player in its pension and investment activities through research and teamwork that encourages innovation and creativity. I think about how I can assist the Sponsors Corporation to ensure it appreciates the importance

of creating a board structure for OMERS AC that advances the OMERS brand as a focused and disciplined institution that delivers leading edge services and investment performance for its plan members.

Where do you see OMERS five years down the road?

I see OMERS as a highly respected institution with exceptional pension services and investment performance

– and an employer of choice for the best and the brightest.

You've attended presentations and met members and employers.

What do you take away from these meetings?

I see that OMERS members and employers continue to have confidence in OMERS investment performance. They also have a high regard for its

service levels and are pleased with member and employer communications.

Do you have a final message for members and employers?

It's important to pay close attention to the composition of the OMERS AC Board. Board composition must reflect the complexity of OMERS AC that is tasked with delivering exceptional member services and investment performance.

A new member's perspective on OMERS

OMERS helps members from day one

Martine Fortin began working for the Hearst Area and Economic Development Corporation, which is part of the Town of Hearst, on June 15th this year. She is the General Manager's Administrative Assistant and a new OMERS member.

My job involves... assisting the General Manager – administrative duties, billing, budgeting, secretarial work, etc. I also help with local tourism – answering tourists' questions and recommending sites to visit, places to stay, and so on.

One thing you find in a smaller municipality is that you often wear several hats, which keeps your job interesting.

I joined the OMERS plan... on my first day of work with the city. Our OMERS representative gave me materials to explain the pension plan and its benefits. They were easy to understand, and I was delighted that they were available in French.

I've belonged to other public-sector pension plans before – HOOPP and CAAT – and, as with them, I like that the employer matches your contributions to help pay for your benefits. I also like the range of benefits OMERS offers.

When I eventually retire... at 65 perhaps, my OMERS pension, coupled with other government benefits and my personal investments, should provide me with a comfortable retirement income.

I would advise other OMERS members... to read up on your OMERS pension plan! Educate yourself about your pension benefits.

The materials are easy to understand. It's important to know about what OMERS has to offer.

Also, from my personal experience, make sure you understand the intricacies of transferring service from one plan to the next. Find out what's best for you and all of the steps involved. OMERS can help you through this.



Oxford adds to Calgary's growing skyline

Centennial Place, Oxford Properties Group's newest project in Calgary's Eau Claire district, is creating a lot of buzz. OMERS *Member News* spoke with Oxford's Mark Cote, Vice President, Development, to learn more about one of OMERS largest real estate development projects to date.

Why did you choose Calgary as a development location?

Calgary's thriving economy, with its



Mark Cote

focus on the oil and gas sector, has been very favourable.

A number of firms expressed interest in looking for new office space to re-brand themselves, consoli-

date or expand offices. It seemed like the right time to enhance our presence in the city with a vibrant and innovative office building.

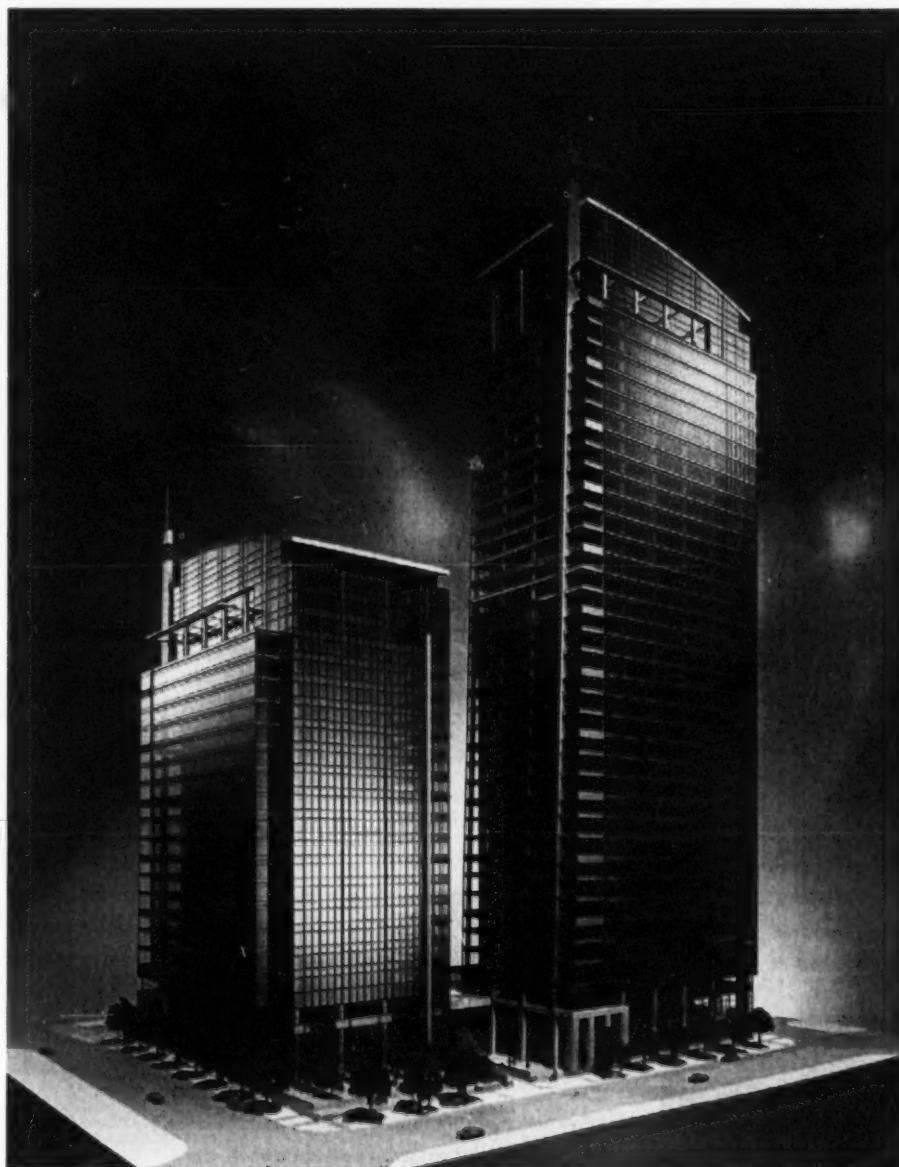
Also, Oxford has a great history and excellent reputation with past developments in Calgary, such as the Ernst & Young Tower, Canterra Tower and Calgary Eaton Centre.

What makes the Centennial Place project unique?

First, the two-tower, 1.2 million square foot complex is located in the Eau Claire district – a key location in Calgary's downtown core.

The design and scale of the project are impressive – the east tower will stand 40 storeys tall, and the west tower will be 23 storeys.

A 40,000 square foot retail podium will connect to Calgary's Plus-15 skyway



network, as well as other Oxford office buildings.

Above all, this project is very "green." We're aiming to have Centennial Place certified with a Leadership in Energy and Environmental Design (LEED®) Gold designation.

What makes a project "green"?
Building a sustainable project was a key directive to the design team at the start of this project. Oxford subsequently chose to pursue a LEED® designation for the project because it is the most widely recognized environmental rating system for new buildings in Canada.

The Canada Green Building Council follows a point system that determines how "green" our project is, which will determine the LEED® certification class. Key green features of Centennial Place will include an energy-efficient curtain wall and mechanical system, motion sensors on all light fixtures, low-flow faucets, a green podium roof, secured interior bicycle storage and shower/change facilities. Separating waste from recyclables and maintaining high indoor air quality standards as we construct the towers are also part of this strategy.

What role did Oxford play in the development of this project?
We oversee land and ownership issues, planning and design, municipal approvals, tendering contracts, construction and leasing.

That means we'll be involved with every step of developing Centennial Place from beginning to end, and will continue to manage the project after its completion.

How does this compare to other OMERS investments?
Oxford's construction projects and real estate activities help OMERS meet its investment goals and commitment to its members. This \$560 million development is owned 100% by OMERS, and will be a significant addition to OMERS real estate portfolio.

The project will be complete in early 2010. With 55% of the complex already leased, we are quite pleased with the tremendous interest Calgary office tenants have shown in our investment.

How long does a project of this scale take to complete?
The development process for a project of this magnitude usually takes about five

years from the pre-development and approvals stages to project completion. We started this project in 2005; construction began in 2006 and the complex will be ready for occupancy in early 2010.

Finally, what should our members know about Oxford?
Our goal is to create and enhance the value of our investments to help deliver the OMERS pension promise to its plan members.

Michael Kitt recently joined Oxford as the Executive Vice President of Global Development. He will lead Oxford's 21-person development and construction team on all of Oxford's global development initiatives. Our work ranges from new construction projects like Centennial Place, and Watermark Place in the UK, to enhancing the value of our existing assets such as Yorkdale Mall through major renovation projects.

Ontario Venture Capital Fund

OMERS in partnership with the provincial government and leading institutional investors, is supporting start-up companies in Ontario with a new \$205-million Ontario Venture Capital Fund (OVCF).

This joint initiative was announced on June 11th at the Toronto Stock Exchange.

Read the full story on our website under OMERS Updates.

"Oxford's worldwide experience with developing and managing commercial real estate has provided OMERS with great investment rewards and opportunities. In 2007, Oxford Properties Group's investment income was \$1.2 billion; a 22.9% rate of return."

— Michael Nobrega, OMERS President and CEO

Plan for the future – with OMERS

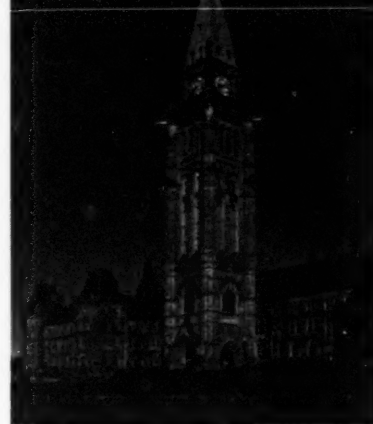
Learn about your pension at an OMERS member information session. The sessions are fun and informative, and free of charge. Topics include early retirement options, inflation protection and survivor benefits.

The following is a list of sessions (September to December 2008) where space is still available (all times are 5:30 to 7:30 p.m. unless indicated otherwise)

Date	Location
October 15	Cornwall Best Western Parkway Inn and Conference Centre, 1515 Vincent Massey Drive
October 20	Newmarket Regional Municipality of York, 17250 Yonge Street
October 27	Thorold Regional Municipality of Niagara, 2201 St. David's Road
November 6	Windsor Giovanni Caboto Club, 2175 Parent Avenue
November 12	Ottawa (6:30 to 8:30 p.m.) Chimo Hotel, 1199 Joseph Cyr Street
November 19	Toronto OMERS, 1 University Avenue, 16th Floor
November 27	Burlington (6:00 to 8:00 p.m.) Halton Regional Police, 3800 Southamptn Blvd
December 3	Whitby Regional Municipality of Durham, 605 Rossland Road East

For a complete list of all our upcoming sessions, for meeting locations and to register, please visit us online at Members/Information sessions or contact OMERS Client services. Register early...the sessions fill up quickly.

OMERS will host a member information session in Ottawa in November.



Moving? Tell your employer

When OMERS sends mail to you, we use the address provided by your employer. We count on your employer to have your current address. Please advise your employer of any changes.



OMERS

Plan for the Future

If there is any discrepancy between the information in this newsletter and the *Ontario Municipal Employees Retirement System Act, 2006 (OMERS Act, 2006)* and the plan text, the *OMERS Act, 2006* and plan text will govern.

Phone
416-369-2444
1-800-387-0813

Fax
416-369-9704
1-877-369-9704

E-mail
client@omers.com
(en français ou anglais)

Mail
One University Ave.
Suite 800
Toronto, ON M5J 2P1

Web
www.omers.com

ISSN 1913-7400 (Print)
ISSN 1913-7419 (Online)



Printed on paper made
from 50% recycled material,
25% post-consumer waste.

Disponible en français

Publications Mail
Agreement No.: 40010368